
Ecology & Parks Committee

HB 1077

Brief Description: Regarding aquatic lands lease rates for marinas.

Sponsors: Representatives Blake, Warnick, O'Brien, McCune, Alexander and Roach.

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Changes the formula used to determine the lease rate paid by marinas for the use of state-owned aquatic lands so that all marinas within the same geographic zone pay the same square footage rate regardless of the value of the adjacent upland parcel.

Hearing Date: 1/23/09

Staff: Jason Callahan (786-7117)

Background:

The Legislature has delegated the management of state-owned aquatic lands to the Department of Natural Resources (DNR), with directions to encourage public use and access, foster water-dependent uses, ensure environmental protection, and utilize renewable resources. The DNR is further instructed to charge a rent to the users of state-owned aquatic lands, with different standards applying to different use types. Non-water dependent uses are charged the fair market value for the use of the land. Water dependent uses are charged rent according to a statutory formula.

Water dependent uses, defined as uses that cannot logically exist except on water, are assessed a rent that is associated with upland values. Generally, water dependent users, such as marinas, must pay a rent that is based on the assessed value of the nearest upland parcel. After an initial rent amount is determined, the DNR is directed to apply a real capitalization rate every four years.

Summary of Bill:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The formula for lease rates charged by the DNR for the use of state-owned aquatic lands by a marina is altered. The new lease formula applies to any private facility providing boat moorage, fuel, or other commercial services. The new lease rate also applies to marinas that provide overnight or live-aboard boating accommodations.

Lease rates paid by marinas located on state-owned aquatic lands are to be based on which geographic zone the marina is located within. The DNR must undertake a rulemaking process to identify various geographic zones within the state's aquatic lands holdings. All marinas within a common geographic zone will pay the same square footage rate for the use of aquatic lands within that zone.

The square footage rental rate for each geographic zone must be determined by dividing the total rent for a specific geographic zone with the total square footage of aquatic lands leased for marina use within the same zone.

Once the initial square footage rental rate is determined for a geographic zone, the rate must be updated every four years. The quadrennial square footage rate adjustments will be based on the percentage change in the average amount that the lessee marinas charge for boat moorage. For example, if the average moorage rates in a geographic zone increase by three percent over a year period, then the square footage rent charged by the DNR will also increase by three percent during the next adjustment. However, the rental rate charged by the DNR may never exceed five percent. During the time periods between the set rate adjustments, the lease rate will increase by the inflation rate.

Upon determining the initial rent for a marina, the DNR must make note if the new rent is 33 percent more or 33 percent less than the rent that was in place for that marina prior to the adjustment. If so, the annual rent may not increase or decrease in any year more than 33 percent of the difference between the initial rent and the rent in place prior to the geographic zone recalculation.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.